

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6754

BILL NUMBER: SB 221

NOTE PREPARED: Jan 17, 2008

BILL AMENDED:

SUBJECT: Warning to Pregnant Women of Tobacco Use.

FIRST AUTHOR: Sen. Simpson

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires tobacco vending machines and establishments that sell tobacco to post a notice that states that smoking by pregnant women may result in fetal injury, premature birth, and low birth weight.

Effective Date: July 1, 2008.

Explanation of State Expenditures: This bill will increase the administrative and enforcement expenditures of the Alcohol and Tobacco Commission (ATC). ATC enforcement officers are vested with the power and duty to enforce all tobacco laws of the state. The notice requirement provided in this bill will require further training and inspection procedures to be developed. The ATC will also be required to adopt rules and procedures to implement the enforcement of the notice requirements in this bill. The amount of the increase in costs to the ATC is indeterminable.

Explanation of State Revenues: *Penalty Provision:* The bill adds the notice requirement to a current statutory provision requiring notice of the prohibition against the sales of tobacco to persons under 18 years of age. A person who fails to post the current notice requirement, or the new notice requirement provided in this bill, commits a Class C infraction. The maximum judgment for a Class C infraction is \$500, which would be deposited in the state General Fund. The amount of additional revenue is indeterminable and will ultimately depend upon the number of tobacco retailers who fail to post the required notices.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Penalty Provision:* If additional court actions are filed and a judgment is

entered, local governments would receive revenue from court fees. The amount of additional revenue is indeterminable and will ultimately depend upon the number of tobacco retailers who fail to post the required notices.

State Agencies Affected: Alcohol and Tobacco Commission.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources:

Fiscal Analyst: Adam Brown, 317-232-9854.